

105TH CONGRESS  
1ST SESSION

# H. R. 2709

To impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 1997

Mr. GILMAN (for himself, Mr. GINGRICH, Mr. BOEHNER, Mr. COX of California, Mr. SOLOMON, Mr. HYDE, Ms. ROS-LEHTINEN, Mr. ROHRABACHER, Mr. KING, Mr. CHABOT, Mr. FOX of Pennsylvania, Mr. WELLER, Mr. SAXTON, Mr. NETHERCUTT, Mr. DEUTSCH, Mr. SCHUMER, Mr. GUTIERREZ, and Mr. BORSKI) introduced the following bill; which was referred to the Committee on International Relations

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## A BILL

To impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Iran Missile Prolifera-  
5 tion Sanctions Act of 1997".

### 6 **SEC. 2. REPORTS ON MISSILE PROLIFERATION TO IRAN.**

7 (a) REPORTS.—Except as provided in subsection (c),  
8 the President shall, at the times specified in subsection

1 (b), submit to the Committee on International Relations  
2 of the House of Representatives and the Committee on  
3 Foreign Relations of the Senate a report identifying every  
4 foreign person with respect to whom there is credible in-  
5 formation indicating that that person, on or after August  
6 8, 1995—

7 (1) transferred goods or technology, or provided  
8 technical assistance or facilities, that contributed to  
9 Iran’s efforts to acquire, develop, or produce ballistic  
10 missiles; or

11 (2) attempted to transfer goods or technology,  
12 or attempted to provide technical assistance or facili-  
13 ties, that would have contributed to Iran’s efforts to  
14 acquire, develop, or produce ballistic missiles.

15 (b) TIMING OF REPORTS.—The reports under sub-  
16 section (a) shall be submitted not later than 30 days after  
17 the date of the enactment of this Act, not later than 180  
18 days after such date of enactment, not later than 1 year  
19 after such date of enactment, and not later than the end  
20 of each 1-year period thereafter.

21 (c) EXCEPTIONS FOR PERSONS PREVIOUSLY IDENTI-  
22 FIED OR SANCTIONED OR SUBJECT TO WAIVER.—Any  
23 foreign person who—

1           (1) was identified in a previous report submit-  
2           ted under subsection (a) on account of a particular  
3           transfer, transaction, or attempt,

4           (2) has engaged in a transfer or transaction  
5           that was the basis for the imposition of sanctions  
6           with respect to that person under section 73 of the  
7           Arms Export Control Act or section 1604 of the  
8           Iran-Iraq Arms Non-Proliferation Act of 1992, or

9           (3) may have engaged in a transfer or trans-  
10          action, or made an attempt, that was the subject of  
11          a waiver under section 4,

12       is not required to be identified on account of that same  
13       transfer, transaction, or attempt in any report submitted  
14       thereafter under this section.

15       **SEC. 3. IMPOSITION OF SANCTIONS.**

16       (a) REQUIREMENT TO IMPOSE SANCTIONS.—

17           (1) REQUIREMENT TO IMPOSE SANCTIONS.—

18       The sanctions described in subsection (b) shall be  
19       imposed on—

20           (A) any person identified under subsection  
21           (a)(1) of section 2 in a report submitted under  
22           that section, and

23           (B) any person identified under subsection  
24           (a)(2) of section 2 in a report submitted under  
25           that section, if that person has been identified

1 in that report or a previous report as having  
2 made at least 1 other attempt described in sub-  
3 section (a)(2) of that section.

4 (2) EFFECTIVE DATE OF SANCTIONS.—The  
5 sanctions shall be effective—

6 (A) 30 days after the report triggering the  
7 sanction is submitted, if the report is submitted  
8 on or before the date required by section 2(b);

9 (B) 30 days after the date required by sec-  
10 tion 2(b) for submitting the report, if the report  
11 triggering the sanction is submitted within 30  
12 days after that date; and

13 (C) on the date that the report triggering  
14 the sanction is submitted, if that report is sub-  
15 mitted more than 30 days after the date re-  
16 quired by section 2(b).

17 (b) DESCRIPTION OF SANCTIONS.—The sanctions re-  
18 ferred to in subsection (a) that are to be imposed on a  
19 foreign person described in that subsection are the follow-  
20 ing:

21 (1) ARMS EXPORT SANCTION.—For a period of  
22 not less than 2 years, the United States Government  
23 shall not sell to that person any item on the United  
24 States Munitions List as in effect on August 8,  
25 1995, and shall terminate sales to that person of

1 any defense articles, defense services, or design and  
2 construction services under the Arms Export Control  
3 Act.

4 (2) DUAL USE SANCTION.—For a period of not  
5 less than 2 years, the authorities of section 6 of the  
6 Export Administration Act of 1979 shall be used to  
7 prohibit the export of any goods or technology on  
8 the control list established under section 5(c)(1) of  
9 that Act to that person.

10 (3) UNITED STATES ASSISTANCE.—For a pe-  
11 riod of not less than 2 years, the United States Gov-  
12 ernment shall not provide any assistance in the form  
13 of grants, loans, credits, guarantees, or otherwise, to  
14 that person.

15 **SEC. 4. WAIVER ON BASIS OF ADDITIONAL INFORMATION.**

16 (a) IN GENERAL.—The President may waive the im-  
17 position of any sanction that would otherwise be required  
18 under section 3 on any foreign person 15 days after the  
19 President determines and reports to the Committee on  
20 International Relations of the House of Representatives  
21 and the Committee on Foreign Relations of the Senate  
22 that, on the basis of information provided by that person,  
23 or otherwise obtained by the President, the President is  
24 persuaded that the person did not, on or after August 8,  
25 1995—

1           (1) transfer goods or technology, or provide  
2           technical assistance or facilities, that contributed to  
3           Iran's efforts to acquire, develop, or produce ballistic  
4           missiles; or

5           (2) attempt on more than one occasion to  
6           transfer goods or technology, or to provide technical  
7           assistance or facilities, that would have contributed  
8           to Iran's efforts to acquire, develop, or produce bal-  
9           listic missiles.

10          (b) WRITTEN JUSTIFICATION.—The determination  
11          and report of the President under subsection (a) shall in-  
12          clude a written justification describing in detail—

13               (1) the credible information indicating that the  
14               person transferred or attempted to transfer goods or  
15               technology, or provided or attempted to provide tech-  
16               nical assistance or facilities to Iran;

17               (2) the additional information which persuaded  
18               the President that the person did not transfer or at-  
19               tempt to transfer goods or technology, or provide or  
20               attempt to provide technical assistance or facilities  
21               to Iran; and

22               (3) the analysis of the information supporting  
23               the President's conclusion.

24          (c) SUBMISSION IN CLASSIFIED FORM.—When the  
25          President considers it appropriate, the determination and

1 report of the President under subsection (a) and the writ-  
2 ten justification under subsection (b), or appropriate parts  
3 thereof, may be submitted in classified form.

4 **SEC. 5. WAIVER ON BASIS OF NATIONAL SECURITY.**

5 (a) IN GENERAL.—The President may waive the im-  
6 position of any sanction that would otherwise be required  
7 under section 3 on any foreign person 15 days after the  
8 President determines and reports to the Committee on  
9 International Relations of the House of Representatives  
10 and the Committee on Foreign Relations of the Senate  
11 that such waiver is essential to the national security of  
12 the United States.

13 (b) WRITTEN JUSTIFICATION.—The determination  
14 and report of the President under subsection (a) shall in-  
15 clude a written justification describing in detail the facts  
16 and circumstances supporting the President's conclusion.

17 (c) SUBMISSION IN CLASSIFIED FORM.—When the  
18 President considers it appropriate, the written justifica-  
19 tion under subsection (b), or appropriate parts thereof,  
20 may be submitted in classified form.

1 **SEC. 6. ADDITIONAL INFORMATION REGARDING ACTIONS**  
2 **BY GOVERNMENT OF PRIMARY JURISDIC-**  
3 **TION.**

4 As part of each report submitted under section 2, the  
5 President shall include the following information with re-  
6 spect to each foreign person identified in that report:

7 (1) A statement regarding whether the govern-  
8 ment of primary jurisdiction over that person was  
9 aware of the activities that were the basis for the  
10 identification of that person in the report.

11 (2) If the government of primary jurisdiction  
12 was not aware of the activities that were the basis  
13 for the identification of that person in the report, an  
14 explanation of the reasons why the United States  
15 Government did not inform that government of those  
16 activities.

17 (3) If the government of primary jurisdiction  
18 was aware of the activities that were the basis for  
19 the identification of that person in the report, a de-  
20 scription of the efforts, if any, undertaken by that  
21 government to prevent those activities, and an as-  
22 sessment of the effectiveness of those efforts, includ-  
23 ing an explanation of why those efforts failed.

24 (4) If the government of primary jurisdiction  
25 was aware of the activities that were the basis for  
26 the identification of that person in the report and



1 failed to undertake effective efforts to prevent those  
2 activities, a description of any sanctions that have  
3 been imposed on that government by the United  
4 States Government because of such failure.

5 **SEC. 7. DEFINITIONS.**

6 For the purposes of this Act—

7 (1) the terms “foreign person” and “person”  
8 mean—

9 (A) a natural person that is an alien;

10 (B) a corporation, business association,  
11 partnership, society, trust, or any other non-  
12 governmental entity, organization, or group,  
13 that is organized under the laws of a foreign  
14 country or has its principal place of business in  
15 a foreign country;

16 (C) any foreign governmental entity oper-  
17 ating as a business enterprise; and

18 (D) any successor or subsidiary of any en-  
19 tity described in subparagraph (B) or (C); and

20 (2) the term “government of primary jurisdic-  
21 tion” means—

22 (A) in the case of a natural person, the  
23 foreign government of the country of which the  
24 person is a citizen or national;

1           (B) in the case of an entity described in  
2           subparagraph (B) of paragraph (1) or any suc-  
3           cessor or subsidiary of such entity, the foreign  
4           government of the country in which the entity  
5           has its principal place of business, or the for-  
6           eign government under whose laws that entity  
7           is organized; and

8           (C) in the case of a foreign governmental  
9           entity described in subparagraph (C) of para-  
10          graph (1) or any successor or subsidiary of  
11          such entity, the foreign government of which  
12          that entity is a part.

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